

ASSEMBLY BILL

No. 57

Introduced by Assembly Member Wright

December 4, 2000

An act to add Section 390.5 to the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 57, as introduced, Wright. Electrical energy: forward contracts.

(1) Existing law restructuring the electrical service industry requires a public utility electrical corporation to pay energy prices to nonutility power generators based on a methodology prescribed by the Public Utilities Commission.

This bill would require the commission to immediately establish, by rule or order, procedures for the preapproval of forward contracts for the purchase of electrical energy. Those procedures would be required to provide for the protection of the proprietary information of utilities and other affected parties. Since a violation of a rule or order of the commission is a crime, this bill would impose a state-mandated local program by creating a new crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 390.5 is added to the Public Utilities
2 Code, to read:

3 390.5. Notwithstanding any other provision of law, the
4 commission shall immediately establish, by rule or order,
5 procedures for the preapproval of forward contracts, including,
6 but not limited to, bilateral contracts, for the purchase of electrical
7 energy. Those procedures shall provide for the protection of the
8 proprietary information of utilities and other affected parties.

9 SEC. 2. No reimbursement is required by this act pursuant to
10 Section 6 of Article XIII B of the California Constitution because
11 the only costs that may be incurred by a local agency or school
12 district will be incurred because this act creates a new crime or
13 infraction, eliminates a crime or infraction, or changes the penalty
14 for a crime or infraction, within the meaning of Section 17556 of
15 the Government Code, or changes the definition of a crime within
16 the meaning of Section 6 of Article XIII B of the California
17 Constitution.

18 SEC. 3. This act is an urgency statute necessary for the
19 immediate preservation of the public peace, health, or safety
20 within the meaning of Article IV of the Constitution and shall go
21 into immediate effect. The facts constituting the necessity are:

22 In order to immediately establish procedures for the
23 preapproval of forward contracts for the purchase of electrical
24 energy, thereby providing a way of reducing electricity consumer
25 exposure to volatile electrical energy market prices, it is necessary
26 that this act take effect immediately.

